Report of Independent Auditors and
Financial Statements with
Supplementary Information

AllCare CCO, Inc.

December 31, 2014

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

CONTENTS

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
AllCare CCO, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of AllCare CCO, Inc. (formerly AllCare Health Plan) ("AllCare"), which comprise the balance sheet as of December 31, 2014, and the related statement of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AllCare as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise AllCare's basic financial statements. The accompanying supplementary schedules, Report L7, Yearly Balance Sheet of Corporate Activity, Report L8, Yearly Statement of Revenue, Expenses, and Changes in Net Assets, and Report L9, Cash Flow Analysis Corporate Activity / Indirect Method as of and for the year ended December 31, 2014, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information – Report L7, Yearly Balance Sheet of Corporate Activity, Report L8, Yearly Statement of Revenue, Expenses, and Changes in Net Assets, and Report L9, Cash Flow Analysis Corporate Activity / Indirect Method as of and for the year ended December 31, 2014, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Moss Adams LLP

San Francisco, California
May 4, 2015

FINANCIAL STATEMENTS

ALLCARE CCO, INC.
BALANCE SHEET
December 31, 2014

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	33,039,242
Oregon Health Authority premiums receivables		967,958
Reinsurance receivable		7,815
Deferred income taxes		3,141,697
Due from affiliate		1,744,585
Loan receivable		82,909
Other receivables		30,765
Total current assets		39,014,971
ASSETS LIMITED AS TO USE		6,108,869
INTANGIBLE ASSET		250,000
Total assets	$	45,373,840
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Claims payable	$	12,623,752
Accounts payable		1,620,593
Alternative payment methodology shared savings		1,000,000
Risk pool payable		4,480,000
Contract withhold payable		740,226
Total current liabilities		20,464,571
STOCKHOLDERS' EQUITY		
Contributed capital		350,000
Retained earnings		24,559,269
Total stockholders' equity		24,909,269
Total liabilities and stockholders' equity	$	45,373,840

See accompanying notes.

REVENUES	
Oregon Health Authority premiums earned, net of hospital reimbursement adjustments	$ 210,007,820
EXPENSES	
Health care expenses	160,344,737
Operating expenses	24,996,043
Total expenses	185,340,780
INCOME FROM OPERATIONS	24,667,040
OTHER INCOME	
Quality bonus pool	2,239,160
Grant income	962,492
Net investment income	17,567
INCOME BEFORE INCOME TAXES	27,886,259
INCOME TAX EXPENSE	(10,878,592)
NET INCOME	$ 17,007,667

See accompanying notes.

ALLCARE CCO, INC.
STATEMENT OF STOCKHOLDERS' EQUITY
Year Ended December 31, 2014

	Contributed Capital	Retained Earnings	Total
Balance, December 31, 2013	$ 350,000	$ 10,551,602	$ 10,901,602
Dividends declared and paid	-	(3,000,000)	(3,000,000)
Net income	-	17,007,667	17,007,667
Balance, December 31, 2014	$ 350,000	$ 24,559,269	$ 24,909,269

See accompanying notes.

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	17,007,667
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income tax		(1,850,689)
Changes in:		
Oregon Health Authority premiums receivables		2,836,449
Reinsurance receivable		127,342
Due from/to affiliates		2,457,259
Other receivables		(30,765)
Other assets		(250,000)
Claims payable		4,963,360
Accounts payable		848,538
Alternative payment methodology shared savings		1,000,000
Risk pool payable		2,535,500
Contract withhold payable		101,717
Net cash provided by operating activities		29,746,378
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Proceeds from sales of investments		6,684,956
Purchases of investments		(9,729,985)
Issuance of loan receivable		(82,909)
Net cash used for investing activities		(3,127,938)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of dividends		(3,000,000)
Net cash used for financing activities		(3,000,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS		23,618,440
CASH AND CASH EQUIVALENTS, beginning of year		9,420,802
CASH AND CASH EQUIVALENTS, end of year	$	33,039,242
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for income taxes	$	13,730,000

See accompanying notes.

NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of organization – AllCare CCO, Inc. (formerly AllCare Health Plan) ("AllCare") was incorporated in September 2004. On July 1, 2012, AllCare was awarded one of the first Coordinated Care Organization ("CCO") contracts in the State of Oregon to serve the Medicaid population in Southern Oregon. The adoption of this new contract has facilitated the integration of Mental and Dental Health Services in with its current Physical Health Services at AllCare. AllCare chose to re-name the CCO, from Oregon Health Plan, to better reflect the new service integration model but did not make a change to the ownership structure. A Doing Business As name ("DBA") of AllCare Health Plan was chosen by Mid Rouge AllCare Health Assurance, Inc. (formerly MidRogue Independent Physician Holding Company) and the new stakeholders to establish an identity related to the new business model. The first CCO contract was issued on a seventeen-month time frame. The contract was renewed for calendar year 2015 on December 24, 2014. The next renewal will be on a calendar year basis. In October 2014 AllCare filed amended articles of incorporation with the State of Oregon changing its name to AllCare CCO, Inc.

AllCare contracts with ten independent Risk Accepting Entities ("RAE") to provide, or arrange to provide, covered health services to enrollees assigned to the RAE on a fully capitated basis. The ten RAE's are as follows: Jackson County Health and Human Services, Options for Southern Oregon, Inc., Curry Community Health, OnTrack, Capitol Dental Care, Inc., Williamette Dental Group, Moda Health – ODS, Advantage Dental, La Clinica and ReadyRide.

Cash and cash equivalents – Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value. Cash balances are maintained at banks and financial institutions, which at times may exceed the federally insured limits. During 2014, balances exceeded the federally insured limits. AllCare has not experienced any losses on these accounts.

Oregon Health Authority ("OHA") receivables – OHA receivables include amounts due for maternity case rate premiums. Past due status is based upon the date of services provided. Uncollectible receivables are charged off when deemed uncollectible. Recoveries from previously charged-off accounts are recorded when received and no interest is charged on outstanding amounts. AllCare does not require collateral or other security to support the recorded receivables amounts.

Reinsurance – In the normal course of business, AllCare seeks to limit its exposure to losses on any single insured and to recover a portion of benefits paid by ceding reinsurance to its single reinsurer under excess coverage agreements. In addition, AllCare is required to obtain certain reinsurance as a contractor of OHA. These agreements call for AllCare to cede reinsurance premiums to its reinsurer on a per member per month basis. In return, the reinsurer assumes 100% of the risk in excess of specified limits. Reinsurance agreements do not relieve AllCare from its obligation to service providers. Amounts recoverable are estimated in a manner consistent with the claim liability associated with the reinsurance policy. Reinsurance premiums and reinsurance recoveries are included in health care expenses. Reinsurance premiums were $1,274,483 for the year ended December 31, 2014. AllCare had $562,114 of reinsurance recoveries on paid losses for the year ended December 31, 2014.

Assets limited as to use – Assets limited as to use consist of certificates of deposit being held in trust for contractual insolvency requirements in accordance with OHA. The reserves are required to ensure future payment of medical claims or contract withholds and settlements.

Claims payable – Claims incurred represent capitation and non-capitation payments for services rendered during the year. The claims payable liability is based on experience statistics related to the nature and volume of work performed. Management periodically evaluates this estimated liability in order to maintain it at a level that is sufficient to absorb probable incurred but not reported claims. Management's evaluation of the adequacy of the estimate is based on an analysis of claims paid after the balance sheet date and an actuarial review of historical claim experience.

Alternative payment methodology ("APM") shared savings – During 2014, AllCare implemented new payment methodologies for shareholder primary care physicians effective January 1, 2014 and for shareholder pediatric physicians effective July 1, 2014. As part of the new methodology, providers will receive bonuses based upon member access and quality incentive metrics if the providers meet the requirements established within the contracts. As of December 31, 2014, $1,000,000 has been accrued in the balance sheet. The payments will be made in June 2015.

Risk pool payable - AllCare provides for risk pools for all shareholder providers and stakeholders that share risk with AllCare. The risk pool amounts are determined annually by the Board of Directors. For the year ended 2014 30% was allocated to the risk pool of which 22% will be distributed to shareholder providers and 8% to stakeholders. As of December 31, 2014, $4,480,000 has been accrued in the balance sheet. The payments will be made in June 2015.

Professional liability insurance – AllCare insures for professional liability claims under a claims-made policy. Under the policy, insurance premiums cover only those claims actually reported during the policy term. Should the claims-made policy not be renewed, or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination may be uninsured. Accounting principles generally accepted in the United States of America require that a health care organization disclose the estimated costs of malpractice claims in the period of the incident of malpractice, if it is reasonably possible that liabilities may be incurred and losses can be reasonably estimated. Management is not aware of any pending claims that exceed the coverage limitations provided by their policy. Management is unable to reasonably estimate the range of future costs, if any, of unasserted medical malpractice claims arising from incidents in current and prior periods. Management believes that any unreported professional liability will not have a material adverse effect on AllCare's financial position or results of operations.

Revenue recognition – AllCare's revenues consist of premiums earned from capitation payments received from the Oregon Health Authority and are recognized as revenue during the period in which AllCare is obligated to provide services to members. Maternity case rate premiums are recognized in the period that a birth occurs.

Hospital Reimbursement Adjustment ("HRA") and Managed Care Organization ("MCO") tax revenue are received as part of the premium payment and are recorded in premium revenue when received. HRA and MCO amounts received are to be paid in full to designated entities and are also recorded as an expense upon receipt.

Health care service cost recognition – AllCare contracts with various health care providers for the provision of certain medical care services to its plan members. Under the terms of the contracts with participating providers, a percentage of their fees are retained by AllCare to cover potential deficits. AllCare evaluates the contract withhold annually and may return a portion to the providers based on its ability to meet claim obligations. Operating expenses include all amounts incurred by AllCare under the aforementioned contracts.

The cost of other health care services provided or contracted for is accrued in the period in which it is provided to a member based in part on estimates, including accrual for medical services provided but not reported to AllCare.

Net investment income – Investment income consists of interest earnings from certificates of deposits. Interest represents amounts earned on investment holdings and is accrued when earned. Investment transaction, custodial and advisory fees are expensed when incurred.

Quality bonus pool – As part of the CCO contract with OHA, there is bonus funding available to AllCare. OHA has established 17 quality incentive metrics with benchmarks that the CCO must meet to be able to share in the bonus funding. AllCare met 11.6 of the metrics which qualified AllCare for 80% of the potential bonus, thus received $2,239,160 for the year ended December 31, 2014.

Income taxes – AllCare accounts for income taxes in accordance with the Financial Accounting Standards Board ("FASB") statement for accounting for income taxes which requires AllCare to use the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory tax rates, applicable to future years, to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Under this statement, the effect on deferred income taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some portion, or all of, a deferred tax asset will not be realized. The factors used to assess the likelihood of realization include AllCare's forecast of the reversal of temporary differences, future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve forecasted taxable income in applicable tax jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in AllCare's effective tax rate on future earnings.

AllCare recognizes the tax benefit from uncertain tax positions if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. AllCare recognizes interest and penalties related to unrecognized tax benefits in income tax expense. Accrued interest and penalties are included within the related liability line in the balance sheet. See Note 5 for additional details.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires AllCare to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. The amounts estimated could differ from actual results. Significant estimates in these financial statements include the liability for claims incurred but not paid, reinsurance receivable, APM shared savings and risk pool payable.

Fair value of financial instruments – Unless otherwise indicated, the fair values of all reported assets and liabilities, which represent financial instruments, approximate their carrying values. AllCare's policy is to recognize transfers in and transfers out of Levels 1 and 2 as of the end of the reporting period. Please see Note 3 for fair value hierarchy disclosures of investments.

Concentrations of risk – Financial instruments potentially subjecting AllCare to concentrations of risk consist primarily of bank demand deposits in excess of FDIC insurance thresholds. During the year ended December 31, 2014, the majority of revenues were generated from the contract with the OHA to provide medical services to residents within Josephine, Jackson, Douglas and Curry counties, Oregon. Loss of contract due to non-renewal or legislative decisions that impact program funding or result in discontinuation could materially affect the financial position of AllCare.

NOTE 2 – ASSETS LIMITED AS TO USE AND NET WORTH REQUIREMENT

As of December 31, 2014, assets limited as to use consist of nine certificates of deposit held at Umpqua Bank and nine certificates of deposits held at Umpqua Investments. These funds are restricted as to their use and are held to satisfy a required reserve by OHA for AllCare to maintain its status as a contractor. The certificates of deposit have varying maturity dates from 2015 through 2016. As of December 31, 2014, AllCare was out of compliance with required reserve requirements for OHA. As of April 10, 2015, AllCare was in compliance.

As stated in the CCO contract, AllCare shall maintain a level of net worth that will provide for minimum adequate operating capital. A minimum adequate level of net worth is defined as the discounted premium revenue to net worth ratio less than or equal to 20:1 (premium to surplus ratio). At December 31, 2014, AllCare's net worth was $24,909,269 which is in excess of the requirement amount of $7,748,490.

NOTE 3 – FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Assets limited as to use – These assets consist of certificates of deposit. The carrying amount reported in the balance sheet approximate its fair value. Fair value is based on the purchase price of investments with similar terms.

The following table presents the fair value measurements of assets recognized in the accompanying balance sheet measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2014:

	Fair Value	Level 1	Level 2	Level 3
Assets limited as to use				
Certificates of deposit	$ 6,108,869	$ -	$ 6,108,869	$ -
Total assets limited as to use	$ 6,108,869	$ -	$ 6,108,869	$ -

NOTE 4 – CLAIMS PAYABLE

The cost of health care services is recognized in the period in which it is provided and includes an estimate of the cost of services that have been incurred but not yet reported. The estimate for reserves for claims is based on projections of hospital and other costs using historical studies of claims paid. Estimates are monitored and reviewed and, as settlements are made or estimates are adjusted, differences are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions.

Activity for claims payable for the year ended December 31, 2014 is summarized as follows:

Balance, beginning of the year	$	7,660,392
Add: claims expenses incurred		93,616,661
Less: claims expenses paid		(88,653,301)
Balance, end of the year	$	12,623,752

NOTE 5 – INCOME TAXES

AllCare files its federal tax return on a consolidated basis with Mid Rogue AllCare Health Assurance ("MRAHA"). AllCare separately tracks an intercompany payable to and/or receivable from MRAHA. As of December 31, 2014, AllCare had an intercompany receivable to its parent of $1,100,718 included in Due from affiliates.

The provision for income taxes for the year ended December 31, 2014 is as follows:

Current:		
Federal	$	10,255,510
State		2,473,771
		12,729,281
Deferred:		
Federal		(1,612,759)
State		(237,930)
		(1,850,689)
Total provision for income taxes	$	10,878,592

AllCare's effective income tax rate differs from that computed at federal statutory rates primarily due to the effect of state income tax and permanent items.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the AllCare's deferred tax assets and liabilities are as follow:

	Federal		State		Total	
Deferred tax assets:						
Claims reserve	$	622,915	$	91,898	$	714,813
Risk pool payable		1,863,200		274,877		2,138,077
Accrued withhold		251,677		37,130		288,807
Net deferred tax assets	$	2,737,792	$	403,905	$	3,141,697

AllCare files income tax returns in the U.S. federal jurisdiction and in the state of Oregon. AllCare is no longer subject to income tax examinations by taxing authorities for years before 2011 for federal and Oregon filings.

NOTE 6 – RELATED PARTY TRANSACTIONS

During 2009, AllCare entered into a Management Services Agreement (the "Agreement") with AllCare Management Services previously, Mid Rogue Management Services ("AMS"). Under the Agreement, AMS performs the management and administration services for AllCare in exchange for fees at $35 PMPM for CCO members. Management fee expenses paid by AllCare totaled $19,918,350 for the year ended December 31, 2014.

During 2014, AllCare had receivables from AllCare Development, LLC ("DEV") in the amount of $1,000,000, a receivable from MRAHA of $1,100,718 and a payable to AMS in the amount of $356,133, related CCO transformation costs. AllCare deemed $2,000,000 of the receivable from AMS uncollectible and recorded a bad debt expense during the year.

NOTE 7 – CCO MINIMUM MEDICAL LOSS RATIO REQUIREMENT FOR THE ACA EXPANSION POPLULATION

Effective July 1, 2014 the State is requiring a minimum medical loss ratio ("MMLR") of 80% on the Affordable Care Act ("ACA") expansion population rate groups. The initial reporting period under the CCO contract for this new requirement is 18 months: July 1, 2014 – December 31, 2015, with claims run-out through March 31, 2016 and final reporting submissions due by June 30, 2016. Subsequent years are to be calculated based upon the calendar year. The terms of the ACA MMLR requirement is pending Center for Medicare and Medicaid Services ("CMS") approval, so the terms and conditions of the requirement are subject to change. Reliable estimates for any potential recoupments owed by AllCare for the initial 6 months are not currently determinable, requiring additional claims data and financial performance information.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, AllCare is a party to claims and legal actions by enrollees, providers, and others. After consulting with legal counsel, AllCare's management is of the opinion that any liability that may ultimately be incurred as a result of claims or legal actions will not have a material effect on the financial position or results of operations of AllCare.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not limited to, accreditation, licensure, health care program participation requirements, and reimbursement for patient services. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from health care programs, together with the imposition of significant fines and penalties, as well as significant repayment for previously billed patient services. While the AllCare is subject to similar regulatory reviews, management believes that the outcome of any potential regulatory review will not have a material adverse effect on the AllCare's financial position.

NOTE 9 – HEALTH CARE REFORM

On March 23, 2010, the Patient Protection and Affordable Care Act ("PPACA") was signed into law. On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 was signed, amending the PPACA (collectively the "Affordable Care Act"). The Affordable Care Act addresses a broad range of topics affecting the healthcare industry, including a significant expansion of healthcare coverage. The expansion is accomplished primarily through incentives to individuals to obtain and employers to provide healthcare coverage and an expansion in Medicaid eligibility. The Affordable Care Act also includes incentives for medical research and the use of electronic health records, changes designed to curb fraud, waste and abuse, and creates new agencies and demonstration projects to promote the innovation and efficiency in the healthcare delivery system. Some provisions of the healthcare reform legislation were effective immediately; others will be phased in through 2016. Further legislative policies are required for several provisions that will be effective in future years. The impact of this legislation will likely affect AllCare. The effect of the changes that will be required in future years are not determinable at this time.

The number of members in AllCare increased approximately 210,000 members in 2014 as a result of the expansion population under the Affordable Care Act that came into effect on January 1, 2014.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. AllCare recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. AllCare's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued.

AllCare has evaluated subsequent events through May 4, 2015, which is the date the financial statements are available to be issued.

SUPPLEMENTARY INFORMATION

		Corporate Activity
CURRENT ASSETS	1. Cash and Cash Equivalents	$ 33,039,242
	2. Short-Term Investments	-
	3. Premiums Receivable	967,958
	4. Investment Income Receivables	-
	5. Health Care Receivables	-
	6. Amounts Due from Affiliates	-
	7. Reinsurance Recoverable on Paid Losses	7,815
	8. Other Current Assets	113,674
9. TOTAL CURRENT ASSETS		34,128,689
OTHER ASSETS	10. Bonds	-
	11.1 Preferred Stocks	-
	11.2 Common Stocks	-
	12. Other Long-Term Invested Assets	-
	13. Receivable for Securities	-
	14. Amounts Due from Affiliates	1,744,585
	15. Restricted Cash and Restricted Securities	6,108,869
	16. Other Assets	3,391,697
17. TOTAL OTHER ASSETS		11,245,151
PP&E	18. Land, Building, and Improvements	-
	19. Furniture and Equipment	-
	20. Leasehold Improvements	-
	21. EDP Equipment	-
	22. Other Property and Equipment	-
23. TOTAL PROPERTY AND EQUIPMENT (NET OF DEPR)		-
24. TOTAL ASSETS		$ 45,373,840

		Corporate Activity
CURRENT LIABILITIES	25. Accounts Payable	$ 1,620,593
	26. Claims Payable	12,623,752
	27. Accrued Medical Incentive Pool	740,226
	28. Unearned Premiums	-
	29. Loans and Notes Payable	-
	30. Amounts Due to Affiliates	-
	31. Other Current Liabilities	5,480,000
32. TOTAL CURRENT LIABILITIES		20,464,571
OTHER LIABILITIES	33. Loans and Notes Payable	-
	34. Amounts Due to Affiliates	-
	35. Payable for Securities	-
	36. Other Liabilities	-
37. TOTAL OTHER LIABILITIES		-
38. TOTAL LIABILITIES		20,464,571
NET ASSETS	39. Common Stock	-
	40. Preferred Stock	-
	41. Paid in Surplus	-
	42. Contributed Capital	350,000
	43. Surplus Notes	-
	44. Contingency Reserves	-
	45. Retained Earnings/Fund Balance	24,559,269
	46. Other Net Assets	-
47. TOTAL NET ASSETS		24,909,269
48. TOTAL LIABILITIES AND NET ASSETS		$ 45,373,840

		Corporate Activity
REVENUES	1. Gross Premiums (Capitation & Case Rate Revenue)	$ 246,322,353
	a. Reinsurance/Stop Loss Premiums Paid	1,274,483
	b. HRA Payments	36,313,572
	c. PCPCH Payments	-
	d. MCO Taxes	-
	2. Net Premiums	208,734,298
	3. Fee-For-Service	-
	4. Title XIX - Other Medicaid	-
	5. Other Health Care Related Revenues	2,239,160
6. TOTAL OPERATING REVENUES		210,973,458
MEMBER SERVICE EXPENSES	7. Physician/Professional Services	48,398,244
	8. Hospital Services	
	a. Inpatient	29,372,586
	b. Outpatient	11,717,471
	c. Emergency Room	7,825,435
	9. Pharmacy	18,096,506
	10. Lab and X-Ray	-
	11. Vision	-
	12. Substance Use Disorder	2,705,989
	13. DME & Supplies	-
	14. Mental Health	20,195,927
	15. Dental	11,848,677
	16. Health Related Non-benefit (Flex) Services	435,690
	17. Other Member Service Expenses	9,036,804
18. MEMBER SERVICE EXPENSES SUBTOTAL		$ 159,633,329

		Corporate Activity
DEDUCTIONS	19. Reinsurance Recoveries Incurred	562,114
	20. Co-payments	-
	21. TPR Amounts Received, COB, and Subrogation	-
22. DEDUCTIONS SUBTOTAL		562,114
23. TOTAL MEMBER SERVICE EXPENSES LESS DEDUCTIONS		159,071,215
ADMINISTRATIVE	24. Compensation	-
	25. Other Administrative Expense	24,573,784
26. TOTAL ADMINISTRATIVE EXPENSES		24,573,784
27. TOTAL OPERATING EXPENSES		183,644,999
28. NET OPERATING INCOME (LOSS)		27,328,459
NON-OPERATING REVENUES AND EXPENSES	29. Net Investment Income	14,953
	30. Non-Healthcare-Related Expenses	-
	31. Other Non-operating Revenues and Expenses	542,847
32. TOTAL NON-OPERATING REVENUES AND EXPENSES		557,800
33. NET INCOME (LOSS) BEFORE TAXES		27,886,259
34. Provision for Income Taxes		10,878,592
35. NET INCOME (LOSS)		17,007,667
NET ASSETS	36. Net Assets Beginning of Quarter	10,901,602
	37. Increase (Decrease) in Common Stock	-
	38. Increase (Decrease) in Preferred Stock	-
	39. Increase (Decrease) in Paid in Surplus	-
	40. Increase (Decrease) in Contributed Capital	-
	41. Increase (Decrease) in Surplus Notes	-
	42. Increase (Decrease) in Contingency Reserves	-
	43. Increase (Decrease) in Retained Earnings/Net Worth	-
	a. Net Income	17,007,667
	b. Dividends to Stockholders	(3,000,000)
	c. Interest on Surplus Notes	-
	d. Change in Non-Admitted Assets	-
	e. Other Changes in Net Assets	-
	39. Net Assets	$ 24,909,269

ALLCARE HEALTH PLAN
REPORT L9. CASH FLOWS ANALYSIS CORPORATE ACTIVITY/INDIRECT METHOD
Years Ended December 31, 2014

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		Corporate Activity
ADJUSTMENT TO RECONCILE NET INCOME	1. Net Income (Loss)	$ 17,007,667
	2. Depreciation and Amortization	-
INCREASE (DECREASE IN OPERATING ASSETS	3. Premium Receivable	2,836,450
	4. Due From Affiliates	2,457,260
	5. Health Care Receivable	-
	6. Other (Increases) Decreases in Operating Assets	(2,087,020)
Increases (Decreases) in Operating Liabilities	7. Accounts Payable	4,593,033
	8. Claims Payable	4,372,834
	9. Accrued Medical Incentive Pool	101,717
	10. Unearned Premiums	-
	11. Due to Affiliates	-
	12. Other Increases (Decreases) from Operating Activities	381,532
13. NET CASH PROVIDED BY OPERATING ACTIVITIES		29,663,473
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	14. Receipts from Investments	-
	15. Receipts for Sales of Property and Equipment	-
	16. Payment for Investments	-
	17. Payments for Property and Equipment	-
	18. Other Increase (Decrease) in Cash Flows for Investing Activities	- (3,045,033)
19. NET CASH USED IN INVESTING ACTIVITIES		(3,045,033)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	20. Distribution of capital	-
	21. Loan Proceeds from Non-Affiliates	-
	22. Loan Proceeds from Affiliates	-
	23. Principal Payments on Loans from Non-Affiliates	-
	24. Principal Payments on Loans from Affiliates	-
	25. Dividends Paid	(3,000,000)
	26. Principal Payments under Lease Obligations	-
	27. Other Cash Flow Provided by Financing Activities	-
28. NET CASH USED IN FINANCING ACTIVITIES		(3,000,000)
29. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		23,618,440
30. CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTED PERIOD		9,420,802
31. CASH AND CASH EQUIVALENTS AT END OF REPORTED PERIOD		$ 33,039,242